



Air Pollution Control Board

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March 24, 2015

NOTICE OF WORKSHOP

FOR DISCUSSION OF PROPOSED AMENDMENTS TO NEW SOURCE REVIEW RULES 20.1, 20.2, 20.3 AND 20.4

The San Diego County Air Pollution Control District (District) will hold a public meeting to present and discuss proposed amendments to New Source Review (NSR) Rules 20.1, 20.2, 20.3 and 20.4. Comments concerning this proposal may be submitted in writing before, or made at, the workshop, which is scheduled as follows:

DATE: Thursday, May 7, 2015
TIME: 9:00 a.m. to 11:00 a.m.
PLACE: San Diego County Operations Center
5500 Overland Avenue, First Floor, Room 120
San Diego, CA 92123

NSR Rules 20.1, 20.2, 20.3 and 20.4 contain standards for the evaluation and air contaminant emissions control of new, modified, replacement and relocated equipment, operations and processes which require an Authority to Construct and Permit to Operate in accordance with District Rule 10. The requirements are based on federal and state laws and regulations. Since these rules were last revised in November 1998, federal and state requirements have changed significantly. The proposed amendments are intended to achieve approval of the rules by the U.S. Environmental Protection Agency (EPA) and California Air Resources Board (CARB), to improve clarity and to address issues that have arisen from application of the rules.

Specifically, the proposed amendments include the following:

- Specified provisions of the NSR rules will not be included in the rules submitted to EPA for approval into the San Diego portion of the State Implementation Plan (SIP). This includes state-mandated requirements for Best Available Control Technology, air quality impacts analysis requirements relative to state ambient air quality standards, and emission offset requirements for portable emission units. Existing rule provisions carrying out federal Prevention of Significant Deterioration (PSD) requirements will not be included for EPA approval into the SIP.
- Major source emission thresholds, ambient air quality standards and Prevention of Significant Deterioration (PSD) air quality increments have been incorporated for fine particulates, PM_{2.5}. PM_{2.5} is a federally regulated air contaminant for which EPA has adopted national ambient air quality standards and NSR regulatory requirements.

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- The Rule 20.1 definitions of *Contiguous Property* and *Stationary Source* are being revised to clarify that they apply to non-adjointing parcels under common ownership or common control and connected by a process line, conveyor or other stationary materials handling equipment.
- A new category of *federal major stationary source* and a companion category of *federal major modification* are defined in order to implement certain federally mandated requirements relative to emission calculation procedures, emission offsets, compliance certifications, and alternatives analysis. The volatile organic compounds (VOC) and oxides of nitrogen (NOx) emission thresholds for *federal major stationary sources* and *federal major modifications* are 100 tons per year and 40 tons per year, respectively. A definition is added for *new federal major stationary source* to include an EPA requirement for certain changes that cause a non-major source to become a federal major stationary source.
- The current rule major source/modification thresholds of 50 and 25 tons per year for VOC or NOx emissions are being retained to ensure compliance with state law.
- The definition of best available control technology (BACT) would be amended to revise how BACT applies when an existing emissions unit is being modified.
- The requirements for BACT are being revised to allow the Air Pollution Control Officer to consider BACT for a project consisting of multiple emission units being permitted concurrently.
- The term "Proven in Field Application" is being replaced by the term "Achieved in Practice", with a new definition. The term is used in determining BACT. This change is to address a past ARB comment. The definition is revised to require that a technology be demonstrated for at least six months, rather than the current one year, to address an EPA comment.
- The BACT cost-effectiveness values used by the District for VOC, NOx, PM₁₀ and SOx emission sources are proposed to be fixed values in Rule 20.1. The values proposed for VOC and NOx are currently those used by the District for VOC and NOx, and for all four air contaminants are comparable with those used by other large California air districts. Future changes to the proposed cost-effectiveness values, if adopted, will require Air Pollution Control Board approval.
- Procedures for determining potential to emit of emission units and stationary sources, and for calculating emission increases and decreases, are being reorganized and rewritten to improve clarity. In particular, additional procedures for calculating emission increases at *federal major stationary sources* have been included in order to meet EPA requirements. Also, in some cases, emissions from permit-exempt and portable emission units would be included in the aggregate emissions of a *federal major stationary source*.
- Additional requirements are specified for emission offsets for *federal major stationary sources* and *federal major modifications*. In particular, the revised rules would require that emission offsets be further adjusted to be surplus of federal requirements at the time the offsets are proposed for use.
- The proposed Rule 20.1 revisions include a new definition for "Surplus" and "Surplus of Federal Requirements". The two definitions are needed to distinguish between current requirements for surplus-adjusting emission reduction credits (offsets) at the time they are created and EPA regulatory requirements to surplus-adjust emission reductions/offsets at the time they are used.

- The proposed Rule 20.1 revisions include criteria for creating and registering/banking emission reduction credits for future use as emission offsets. The proposed criteria are a summary version of the key criteria in the District's Banking Rules 26.0 – 26.10. The latter rules will still apply locally but will not be used by EPA for approval of the revised District New Source Review rules.
- Definitions for *federally enforceable requirements* and *federally-mandated new source review* are added to meet EPA approval requirements, and to maintain distinctions between federal requirements and state/local-only requirements.
- Air Quality Impact Analysis (AQIA) requirements are amended to apply EPA's good engineering practice stack height requirements (for purposes of analysis but not to limit actual stack height), and to clarify procedures when an AQIA is required for a project consisting of multiple emission units under review. The rules will also specify that PM_{2.5} and PM₁₀ emissions include that portion directly emitted and that which would condense after discharge to the atmosphere. The definition of modeling used in an air quality impact analysis includes a requirement to use EPA-approved air quality impact models and guidelines.
- In order to maintain separation between federal and state/local only requirements for purposes of SIP approval, the Air Quality Impact Analysis requirements contained in Rules 20.2, 20.3 and 20.4 are divided into subsections applicable to national ambient air quality standards and subsections applicable to state ambient air quality standards.
- Rule 20.3 emission offset requirements for VOC and NOx emission increases at major source/major modification levels are retained to meet state and federal regulatory requirements. Interpollutant offset provisions for VOC and NOx remain at the current ratios. To meet federal EPA requirements, emission reductions used to offset emission increases of VOC or NOx at federal major source/federal major modification levels must be further adjusted to be surplus of federal requirements at the time those emission reductions are used.
- To meet federal EPA requirements, emission offset requirements are added in Rule 20.3 for any air contaminant or its precursors for which the San Diego Air Basin is designated as nonattainment of a national ambient air quality standard (NAAQS). Such emission offsets are triggered at federal major source/federal major modification emission increase levels, must be provided at a ratio of 1.0 to 1.0, and may be met by interpollutant offsets following a protocol approved by the federal EPA and the District.
- Rule 20.3 requirements for Compliance Certifications and Alternative Siting/Alternatives Analysis are being revised to apply to only the newly defined federal major stationary sources and federal major modifications. Currently, these requirements apply to all major sources and major modifications.
- A new Visibility Impairment Analysis requirement in Rule 20.3 for any new federal major stationary source or federal major modification that may have an impact on visibility in a Class I area is being added. This analysis, including public notification and potential for denial of a permit, is required by EPA regulations.
- Requirements for the remaining types of locally-permitted portable emission units subject to Rule 20.4 are being revised. *(Many portable emission units are registered under either District or state programs, are exempt from permit requirements, and therefore are not subject to New Source*

Review.) The revisions distinguish between portable emission units that are related to the primary activities of a stationary source, and those that are not. A definition of "Related to the Primary Activities of the Stationary Source" is being added.

- An exemption from emission offsets and LAER requirements for portable emission units not related to the primary activities of a major stationary source is being added to Rule 20.4. Emission offset requirements for portable emission units are being revised and clarified, and will allow permanent or temporary emission offsets to be used. Discounting (by 10%) of temporary offsets when they are returned to the owner of the emission reduction credit is being required.
- A provision is being added to Rule 20.4 to allow the District to require an analysis of the air quality impacts of concurrent operations of multiple portable emission units at the same stationary source if they may be expected to cause specified adverse air quality impacts.
- Public Notice and comment requirements in Rules 20.2, 20.3 and 20.4 are being clarified. Notifications are added for tribal air pollution control agencies designated by EPA as having jurisdiction in areas of the San Diego Air Basin.

A detailed summary of the proposed New Source Review Rules revisions has also been prepared. The detailed summary of the revisions, both a change copy and clean draft version of the proposed revised NSR rules, and the workshop's location map are available on the District's website at http://www.sdapcd.org/homepage/public_part/workshops/public_workshops.pdf. The District requests that workshop participants bring their own copies of the draft proposed amended rules. If you have any questions concerning the workshop, please contact Janet McCue at (858) 586-2712.



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